

**THE CITY OF FREDERICK  
MAYOR AND BOARD OF ALDERMEN**

**ORDINANCE NO. G-22-09**

**AN ORDINANCE** concerning residential rental licensing and affordable housing conservation

**FOR** the purpose of establishing definitions; authorizing the Director of Public Works to adopt certain regulations; requiring the adoption of certain maintenance standards; providing exceptions; requiring the licensing and inspection of certain rental units; providing for the revocation of a license; allowing certain administrative appeals; providing for certain special funds; and otherwise generally relating to residential rental licensing and affordable housing conservation in the City of Frederick.

**BY** adding

Chapter 12.5

Article IV

The Code of the City of Frederick, 1966 (as amended)

**SECTION I. BE IT ENACTED AND ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICK**, That Chapter 12.5, Article IV is added to The Code of the City of Frederick, 1966 (as amended) to read as follows:

**ARTICLE IV. RESIDENTIAL RENTAL LICENSING AND AFFORDABLE HOUSING CONSERVATION.**

**Sec. 12.5-31. Purpose.**

The Board of Aldermen finds that the establishment of a proactive residential rental licensing program as detailed in this article is necessary to protect the health, safety, and welfare of the public. The Board of Aldermen believes that sole reliance on a complaint-based enforcement program is inadequate, as tenants may not report complaints due to fears of eviction or retaliation or because of language or education barriers. This program is intended to prevent deterioration and blight conditions that adversely impact the quality of life in the City. Specifically, it is intended to forestall potentially substandard housing conditions by requiring that rental housing be licensed and properly maintained and that harmful conditions be identified and corrected.

**Sec. 12.5-32. Definitions.**

- (a) **Generally.** For the purposes of this article, the following terms have the meanings given.
- (b) **Appeals Board.** "Appeals Board" is the board designated under Chapter 2 of this Code to hear appeals brought under this article.
- (c) **Department.** "Department" means the Department of Public Works.
- (d) **Director.** "Director" means the Director of Public Works or the Director's designee.
- (e) **Dwelling unit.** "Dwelling unit" means a room or group of rooms forming a single residential unit, with facilities for living, sleeping, and cooking purposes exclusively for the occupants of the unit.

- (f) **Rental housing unit.** "Rental housing unit" means a dwelling unit that is or may be available for rent or is occupied or rented by a tenant or subtenant in exchange for any form of consideration.

**Sec. 12-5.33. Administration.** The rental licensing program established by this article will be administered by the Director. The Director may adopt administrative regulations to implement the program.

**Sec. 12.5-34. Maintenance standards.**

- (a) **Adoption.** The Board of Aldermen shall adopt minimum maintenance standards for rental housing units on or before December 31, 2022.
- (b) **Standards.** The minimum maintenance standards will require property owners to repair and eliminate conditions and defects which constitute, or if not promptly corrected will constitute, a fire hazard or a serious and substantial threat to the life, health or safety of occupants, including, but not limited to:
- (1) Lack of heat, light, electricity, or hot or cold running water, except where the tenant is responsible for the payment of the utilities and the lack thereof is the direct result of the tenant's failure to pay the charges;
  - (2) Lack of adequate sewage disposal facilities;
  - (3) Infestation of rodents;
  - (4) The existence of any structural defect which presents a serious and substantial threat to the physical safety of the occupants; or
  - (5) The existence of any condition which presents a health or fire hazard to the dwelling unit.

**Sec. 12.5-35. Fees.** As part of the annual fee schedule ordinance or an amendment to the ordinance, the Board of Aldermen may establish licensing fees, inspection fees, and other administrative or regulatory fees deemed necessary for the effective implementation of this article.

**Sec. 12.5-36. Scope.**

- (a) **Exceptions.** The requirements of this article do not apply to rental housing units:
- (1) Owned or operated by the Housing Authority of the City of Frederick;
  - (2) Owned, operated, or receiving funding or subsidies from a federal, state, or local government entity and subject to inspection by the governmental entity at least once every five years;
  - (3) Located on a lot comprising no more than two units, one of which is occupied by the owner; or
  - (4) That are newly constructed and have held a valid certificate of occupancy for no more than 8 years;



- (5) Comprising facilities occupied exclusively by members of a religious order; or
  - (6) Comprising facilities or institutional uses that are subject to a requirement to be licensed by a state or local government agency, including but not limited to motels, nursing homes, dormitories, domiciliary care facilities, and adult living facilities as those terms are defined in the City's Land Management Code.
- (b) **Other laws.** Nothing in this article should be construed to relieve a property owner from compliance with all applicable federal, state, and local regulations, including but not limited to the City's Land Management Code, Property Maintenance Code, Building Code, and other technical codes.

**Sec. 12.5-37. Local representative.** Each owner of a rental housing unit shall designate a local representative with authority to act on behalf of the owner for all purposes under this article, including the acceptance of notices from the City. The owner may act as the owner's own local representative. The local representative must maintain a residence or business address in Frederick County.

**Sec. 12.5-38. License required.**

- (a) **In general.** As of December 31, 2023, the owner of a rental housing unit may not rent or offer to rent a rental housing unit without a currently effective license to do so from the Department.
- (b) **Compensation.** The owner of a rental housing unit may not charge, accept, retain, or seek to collect any rental payment or other compensation for providing to another the occupancy of a rental unit unless the unit was licensed under this article at both the time of the offering and the time of providing the occupancy.

**Sec. 12.5-39. Licensing process.**

- (a) **Information provided.** The application for a new or renewal license must be made in the form and contain the information and documentation that the Director requires. The application form will include:
- (1) The address of the property;
  - (2) The name, address, and phone number of all owners of the property;
  - (3) The name, address, and telephone number of the local representative;
  - (4) A certification that the property meets the maintenance requirements of this article; and
  - (5) Any other information deemed necessary by the Director.
- (b) **Issuance or denial.** If the Director finds that the application meets the requirements of this article, the Director will issue the owner a license authorizing the owner to rent or offer to rent the unit. If the Director determines that an application does not meet the requirements of this article, the Director will deny the license, set forth the reasons for the denial in writing, and provide it to the owner. The owner may appeal the denial of a license in accordance with 12.5-42 of this article.

- (c) **Update of information.** A property owner has a continuing obligation to ensure that the information provided at the time of license application remains valid. Except as otherwise provided in this subsection, if the property is no longer being rented or any other information is no longer valid, the owner shall notify the Department of the change, in writing, within 30 days after the change.
- (d) **Transfer.** Licenses are specific to one owner and one property and are transferable. If a property is sold, the new owner shall apply for a license transfer within 30 days after the transfer.
- (e) **Renewal.** Once licensed pursuant to subsection (a) of this section, an owner shall apply for a renewal license for a rental housing unit once every two years

**Sec. 12.5-40. Inspections.**

- (a) **Requirements.** Rental housing units will be inspected in accordance with this section for the purpose of determining compliance with the minimum maintenance standards.
- (b) **Random inspections.** Inspections will be made on a random basis, in accordance with procedures established by the Director. The procedures must require at least 15% of residential rental units licensed under this article to be inspected each year. The procedures must also provide that to the greatest extent practicable, of the 15% of units inspected each year, 25% will be single family detached houses, 25% will be townhouses, and 50% will be multi-family units. For purposes of this subsection, the number of units to be inspected will be based on the units licensed on January 1 of each year.
- (c) **Inspection for cause.** The Director may require an inspection at any time, based on a determination that the residential rental unit may pose a risk of harm to its tenants. In making that determination, the Director shall consider:
  - (1) The current condition of the premises, including the number, nature, and severity of violations found;
  - (2) The history of code violations documented for the unit; and
  - (3) The condition of other properties owned by the same owner
- (d) **Right of entry.** Subject to this subsection, with the consent of an occupant or owner or pursuant to a lawfully issued warrant, the Director may enter any building, structure, or premises in the City to perform any duty imposed by this article. If the Director has reasonable cause to believe that the rental housing unit is so hazardous, unsafe, or dangerous as to require immediate inspection to safeguard the public health or safety, an inspector employed by the Department may use any reasonable means required to immediately enter and inspect the unit.
- (e) **Notice of inspection.** Except as otherwise provided in this article, any notice required by this article to be made by the Director will be mailed by first class mail to the owner, the occupants, and the local representative. The Director shall serve written notice of the date and time of any inspection to be conducted under this section by mailing the notice by first class mail at least 30 calendar days before the date of the inspection.



- (f) **Notice of compliance.** Following any inspection conducted in accordance with this section, if the inspector finds no violation of any maintenance standards the Department shall issue a notice of compliance stating that the property complies with the requirements of this article. The Department shall mail the notice to the owner and the designated representative.
- (g) **Notice of violation.** If the inspector determines that a rental housing unit is in violation of one or more maintenance standards, the Department shall provide the owner with an inspection report indicating the actions to be taken to bring the unit into compliance.
  - (1) After the deadline specified in the inspection report for performing the required repairs or actions, the rental unit will be inspected again.
  - (2) If the unit is not compliance after the second inspection, a third inspection may be made. If the unit is not in compliance after the third inspection, the Director may revoke the license in accordance with Sec. 12.5-41 of this article.
  - (3) If the Director determines that the rental unit is unfit for human occupancy, as that term is defined in the Property Maintenance Code, the structure will be condemned and placarded in accordance with the Property Maintenance Code.

**Sec. 12.5-41. Revocation of license.**

- (a) **Grounds.** In addition to any other penalty allowed under this article or other applicable law, the Director may revoke a license if the owner:
  - (1) Fails to bring a dwelling unit into compliance after the third inspection as described in Sec. 12.5-40 of this article;
  - (2) Made a materially false statement in an application for rental licensing;
  - (3) Refuses to allow entry for inspection; or
  - (4) Fails to comply with any provision of this article.
- (b) **Notice of revocation.** If a license is revoked, the Director shall issue a written notice to the property owner and the local representative, including the grounds for the revocation and the process to appeal the revocation.
- (c) **Reissuance.** After a license is revoked, an owner wishing to obtain a new license must wait at least six months and then may reapply in accordance with this article with the addition of a requirement to pass an inspection.

**Sec. 12.5-42. Appeals.**

- (a) **Filing.** Within 20 days after the issuance of a notice of denial or revocation, a property owner may appeal the denial or revocation of a license under this article to the Appeals Board. Appeals must be filed on a form provided by the Department in accordance with procedures established by the Department and must state the grounds for the appeal. The appeal must be accompanied by a copy of the notice being appealed and a filing fee as specified in the fee schedule ordinance then in effect.

- (b) **Stay.** The filing of an appeal will stay the effectiveness of a revocation. The stay will be lifted upon the issuance of a written decision under subsection (d) of this section.
- (c) **Hearing.** Within 30 days after the filing of a notice of appeal, the Appeals Board will convene to hear the appeal. At the hearing, the owner may appear and be heard or may be represented by an agent or attorney. The owner and the Director may testify, present documents and other evidence, including witness testimony, and cross-examine witnesses. The Commission shall consider all relevant evidence submitted at the hearing. The owner has the burden of persuasion to show that the license was denied or revoked in error.
- (d) **Decision.** Within 15 days after the hearing, the Appeals Board shall issue a written decision affirming or reversing the Director's decision to deny or revoke the license.

**Sec. 12.5-43 Notice to vacate.**

- (a) **In general.** Except as otherwise provided in this section, within five days after receipt of a notice of revocation, the property owner shall issue to the tenants a written notice to vacate.
  - (1) The notice must require that the tenants vacate the property within 60 days after the issuance of the notice to vacate.
  - (2) The owner shall return a security deposit in accordance with the Real Property Article of the Annotated Code of Maryland.
  - (3) The City will provide the tenant information on available resources in cases of notice to vacate.
- (b) **Stay.** If the owner appeals a revocation in accordance with Sec. 12.5-42 of this article, the owner will not be required to issue a written notice to vacate in accordance with subsection (a) of this section and shall inform the tenants that any prior notice to vacate is void, unless the Appeals Board affirms the Director's decision to revoke the license. In that case, the owner shall issue the notice to vacate within 5 days after the Appeals Board issues its written decision.

**Sec. 12.5-44. Violations and enforcement.**

- (a) **Unlawful rental.** Renting or offering a unit for rent without a valid license is a municipal infraction punishable by a fine not to exceed \$1,000. Each day a violation continues will be considered a separate offense.
- (b) **Failure to abate violations.** Failure to bring a unit into compliance as required under Sec.12.5-40 of this article is a municipal infraction punishable by a fine not to exceed \$1,000. Each day a violation occurs will be considered a separate offense.
- (c) **Other remedies.** In addition to the penalty set forth in subsection (a) of this section, the City may seek any other remedies available to it at law or in equity to abate, restrain, or correct a violation of this article.

**Sec. 12.5-45. Tenant protections.** In addition to the protections provided to a tenant by MD Code, Real Property, Sec. 8-208.1, an owner may not, as a result of any action taken under this article, bring or threaten to bring an action for possession against a tenant; arbitrarily increase the rent or decrease the services to which a tenant has been entitled; or terminate a periodic tenancy.



**Sec. 12.5-46. Public education.** The Department, in consultation with the Communication Department, shall establish or facilitate a program to explain and clarify to the public the purposes and requirements of this article. The program may include the publication of a brochure or a page on the City's website. Public education will also include a list of available resources for tenants.

**Sec. 12.5-47. Special funds**

- (a) **Revenues.** The special funds described in this section will contain revenues collected as fees or fines payable in connection with the rental licensing program established by this article.
- (b) **Operating costs.** Before being placed in a special fund, revenues will be used to pay operating costs directly attributable to the administration and enforcement of the rental licensing program.
- (c) **Tenant protection fund.** A fund is hereby established to assist tenants with costs of relocation necessitated by the enforcement of this article. This fund will contain 20% of the available revenues (after operating costs).
- (d) **Rental assistance fund.** A fund is hereby established to assist tenants with rental assistance in the instance of required vacation of a rental unit. This fund will contain 30% of the available revenues (after operating costs).
- (e) **Affordable housing conservation fund.** A fund is hereby established to create an affordable housing conservation program. This fund will contain all revenues remaining after the placement of revenues in the tenant protection and rental assistance funds.
- (f) **Use of funds.** On or before July 1, 2023, the Director of Housing and Human Services will establish regulations as needed to effectively implement the requirements of this section, including the application for and distribution of money from the special funds.

**Sec. 12.5-48. Annual Report.**

- (a) **Required.** The Director shall prepare a written report, to be presented to the Board of Aldermen by June 30 of each year, evaluating the rental licensing program established by this article.
- (b) **Contents.** The annual report must include the following information:
  - (1) The number and type of rental housing units issued a new or renewal license;
  - (2) The number of random inspections conducted, and a summary of the results of those inspections;
  - (3) The number of inspections conducted for cause, and a summary of the results of those inspections;
  - (4) The number of notices of violation issued under this article;
  - (5) The number of licenses revoked and notices of vacate issued;

- (6) The number of citations issued and information regarding the payment or adjudication of those citations;
- (7) A description of the efforts made to educate the public on the rental licensing program;
- (8) A summary of the status of the special funds, including amounts allocated and a description of any expenditures.

**SECTION II. BE IT FURTHER ENACTED AND ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICK,** That in the event any provision, section, sentence, clause, or part of this ordinance shall be held to be invalid, such invalidity shall not affect or impair any remaining provision, section, sentence, clause, or part of this ordinance, it being the intent of the City that such remainder shall be and shall remain in full force and effect.

**SECTION III. BE IT FURTHER ENACTED AND ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF FREDERICK,** That this ordinance shall take effect on the date it is signed by the Mayor and all other ordinances or parts of ordinances inconsistent with the provisions of this ordinance will as of that date be repealed to the extent of such inconsistency.

**PASSED:**


**DATE:**

  
\_\_\_\_\_  
**Michael C. O'Connor, President,  
Board of Aldermen**

**August 4, 2022**

**APPROVED:**

**DATE:**

  
\_\_\_\_\_  
**Michael C. O'Connor, Mayor**

8-18-2022

**Approved for Legal Sufficiency:**

  
\_\_\_\_\_  
**City Attorney**